

File Number M/037/026

Effective Date July 10, 1997

**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION of OIL, GAS and MINING**  
1594 West North Temple Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
(801) 538-5291  
Fax: (801) 359-3940

**RECLAMATION CONTRACT**

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For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)  
(Mineral Mined)

M/037/026

Uranium - Vanadium

"MINE LOCATION":

(Name of Mine)  
(Description)

Lasal - Snowball

From 1/2 mile north to 2 miles east  
of the town of Lasal, located in

San Juan County, Utah.

"DISTURBED AREA":

(Disturbed Acres)  
(Legal Description)

42

(refer to Attachment "A")

"OPERATOR":

(Company or Name)  
(Address)

International Uranium (USA) Corporation

Independence Plaza, Suite 950  
1050 Seventeenth Street

Denver, CO 80265

303-628-7798

(Phone)

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

CT Corporation

50 West Broadway

Salt Lake City, UT 84104

(Phone)

801-364-5101

"OPERATOR'S OFFICER(S)":

Earl E. Hoellen, President

Harold R. Roberts, Exec. Vice Pres.

Rick L. Townley, Vice Pres. - Finance

"SURETY":

(Form of Surety - Attachment B)

Surety Bond No. 1

"SURETY COMPANY":

(Name, Policy or Acct. No.)

National Union Fire Insurance Company  
of Pittsburg, PA.

"SURETY AMOUNT":

(Escalated Dollars)

\$165,900.00

"ESCALATION YEAR":

2002

"STATE":

"DIVISION":

"BOARD":

State of Utah

Division of Oil, Gas and Mining

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between International Uranium (USA) the "Operator" and the Utah State Board of Oil, Gas and Mining ("Board"). Corp.

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/037/026 which has been approved by the Utah State Division of Oil, Gas and Mining "Division" under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Board, to assure reclamation of the Disturbed Area.



NOW, THEREFORE, the Board and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated 6/23/77, and the original Reclamation Plan dated 6/23/77. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Board. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Board in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Board. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance



amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the (Board) that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The (Board) shall hear Operator's request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Board to substitute surety. The Board, in its sole judgment and discretion, may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.



14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

International Uranium (USA) Corporation  
Operator Name


By: Earl E. Hoellen, President  
Authorized Officer (Typed or Printed)

  
Authorized Officer's Signature

6-10-97  
Date

SO AGREED this 10 day of July, 19 97

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

BY   
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining

DIVISION OF OIL, GAS AND MINING:

By

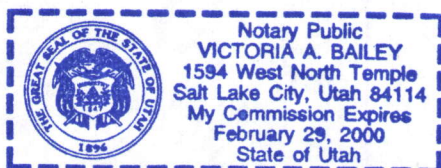
  
James W. Carter, Director


Date

July 10, 1997

STATE OF UTAH )  
 ) ss:  
COUNTY OF SALT LAKE )

On the 10<sup>th</sup> day of July, 19 97, personally  
appeared before me, who being duly sworn did say that he/~~she~~, the said  
James W. Carter is the Director of the Division of  
Oil, Gas and Mining, Department of Natural Resources, State of Utah, and he/~~she~~  
duly acknowledged to me that he/~~she~~ executed the foregoing document by  
authority of law on behalf of the State of Utah.



  
Notary Public

Residing at: SALT LAKE CITY, UT

February 29, 2000  
My Commission Expires:

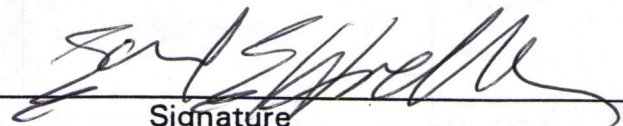


OPERATOR:

International Uranium (USA) Corporation  
Operator Name

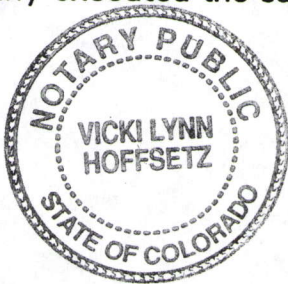
By Earl E. Hoellen, President  
Corporate Officer - Position

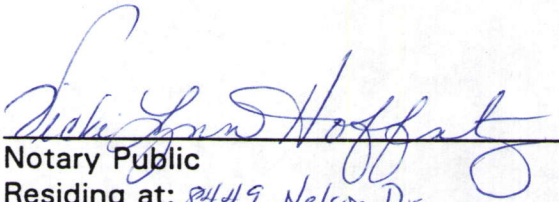
6-10-97  
Date

  
Signature

STATE OF Colorado )  
City & Denver ) ss:  
COUNTY OF \_\_\_\_\_ )

On the 10th day of June, 19<sup>97</sup>, personally  
appeared before me Earl E. Hoellen who  
being by me duly sworn did say that he/she, the said Earl E. Hoellen  
is the President of International Uranium (USA) Corporation  
and duly acknowledged that said instrument was signed on behalf of said company  
by authority of its bylaws or a resolution of its board of directors and said  
Earl E. Hoellen duly acknowledged to me that said  
company executed the same.



  
Notary Public  
Residing at: 8449 Nelson Dr  
Arvada CO 80005

My Commission Expires Aug. 12, 1998

My Commission Expires: \_\_\_\_\_

**ATTACHMENT A**

**Mine:** La Sal-Snowball Mines

**Permit No.:** M/037/026

**Location:** San Juan County, Utah

**Operator:** International Uranium (USA) Corporation

**Location:**

In T 28 S, R 24 E, SLBM:

S 1/2, SE 1/4, Sec 34

S 1/2, S 1/2, Sec 35

S 1/2, S 1/2, Sec 36

In T 28 S, R 25 E, SLBM:

S 1/2, SW 1/4, & SW 1/4, SE 1/4, Sec 31

In T 29 S, R 25 E, SLBM:

NW 1/4, Sec 6

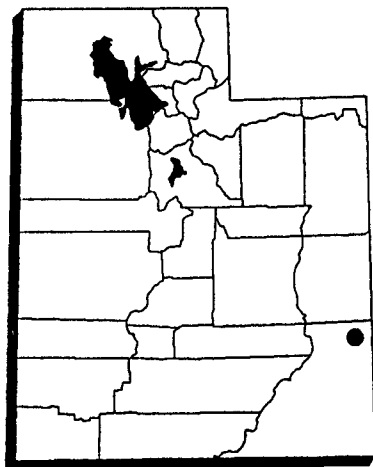
In T 29 S, R 24 E, SLBM:

SW 1/4, NE 1/4, & NW 1/4, & N 1/2, SW 1/4, Sec 1

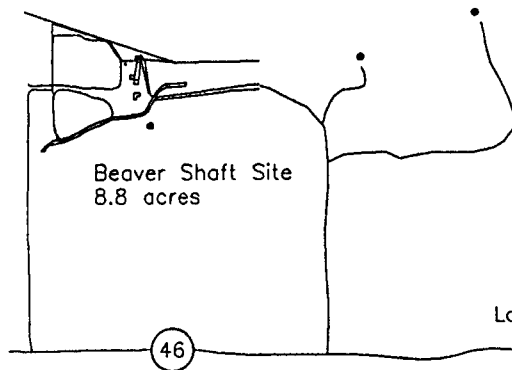
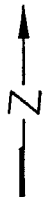
NE 1/4, NE 1/4, & N 1/2, NW 1/4, Sec 2

N 1/2, NE 1/4, Sec 3





Project Location



LaSal

LaSal Incline Site  
16.0 acres

Snowball Incline Site  
4.2 acres

Pandora Mine Site  
15.2 acres

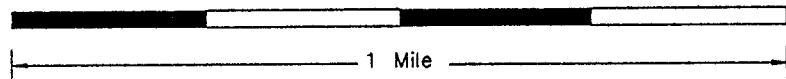
Umetco Minerals Corporation  
LaSal, Snowball and Pandora Mines  
M/037/026 and M/037/012  
San Juan County, Utah

Scale: 1"=1320' (1/4 mile)  
Map Compiled June 30, 1989

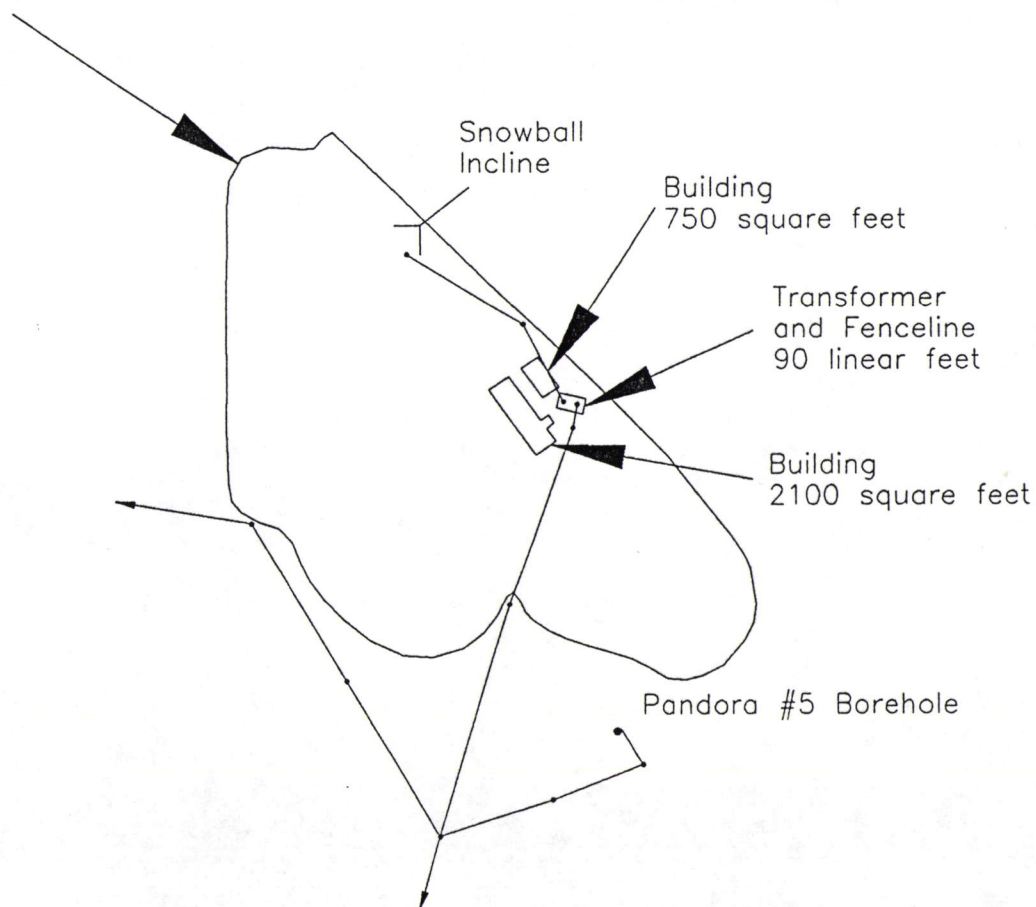


State of Utah  
Natural Resources  
Oil, Gas and Mining

1/4 Mile



Total Disturbance  
for the  
Snowball Incline Area  
4.2 acres

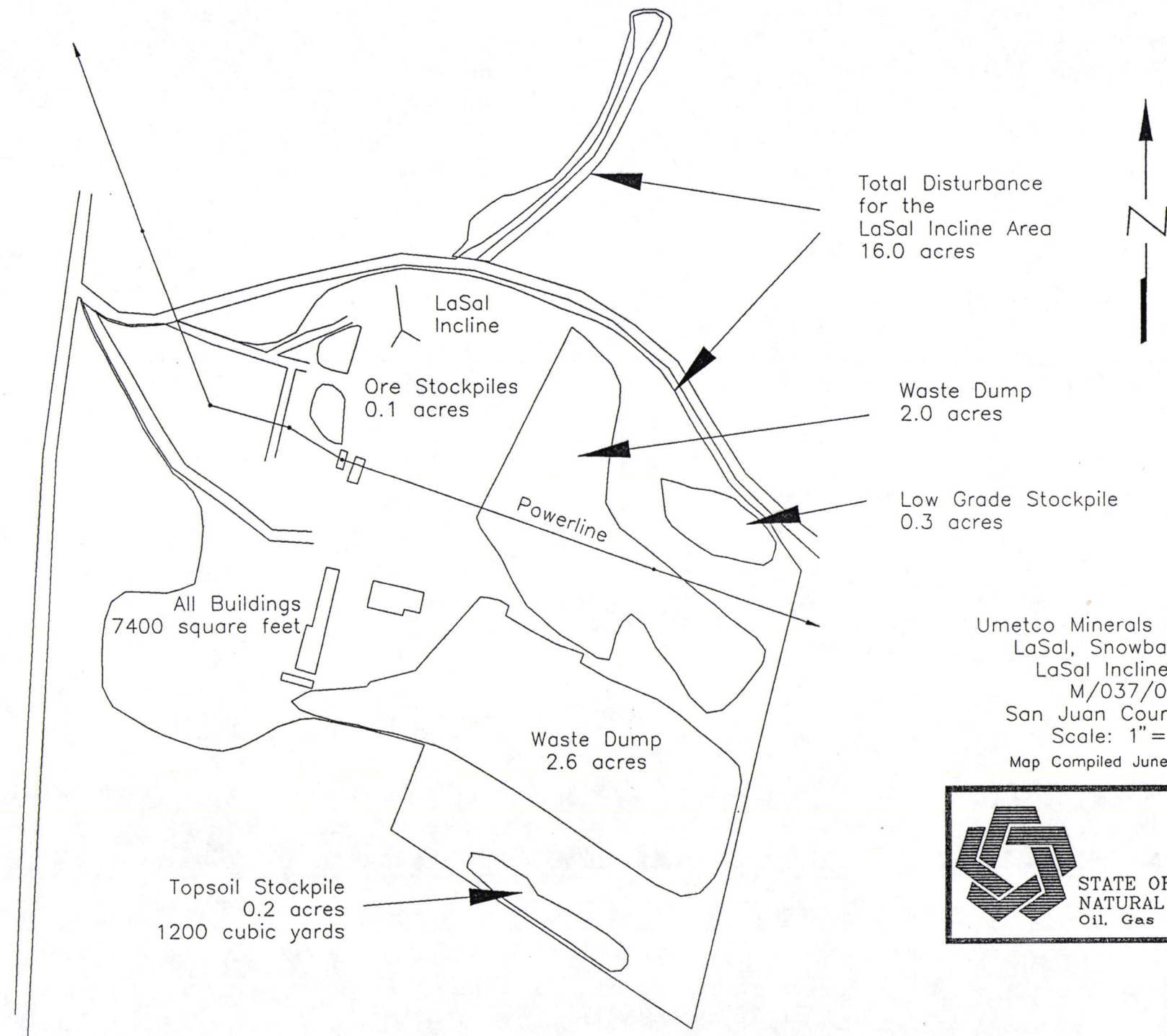


Umetco Minerals Corporation  
LaSal, Snowball Mines  
Snowball Incline Site  
M/037/026  
San Juan County, Utah  
Scale: 1"=200'  
Map Compiled June 29, 1989

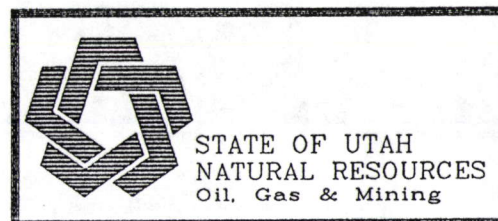


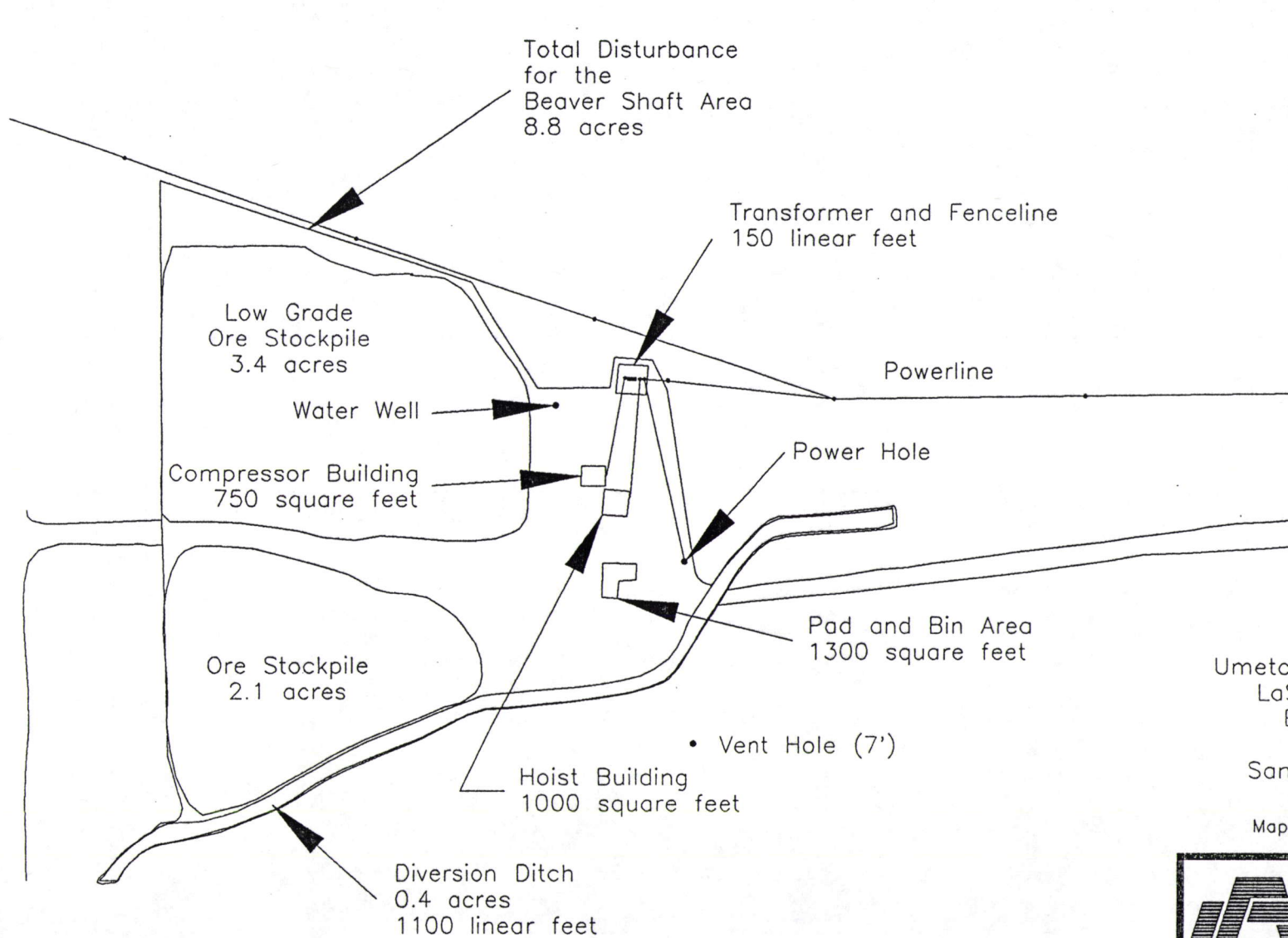
STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining





Umetco Minerals Corporation  
LaSal, Snowball Mines  
LaSal Incline Area  
M/037/026  
San Juan County, Utah  
Scale: 1"=200'  
Map Compiled June 29, 1989





Umetco Minerals Corporation  
LaSal, Snowball Mines  
Beaver Shaft Site  
M/037/026  
San Juan County, Utah  
Scale: 1"=200'  
Map Compiled June 29, 1989

